

COMMONWEALTH OF KENTUCKY

DEPARTMENT OF INSURANCE

Frankfort, Kentucky

IN THE MATTER OF:

Designation of Medical Malpractice Line of Insurance

Order to File Rates and Supplementary Information

WHEREAS, KRS 304.13-051(1) states in relevant part as follows:

In a competitive market, every insurer shall file with the commissioner rates and supplementary information to be used in this state for commercial risks as designated by the commissioner and for all personal risks....

WHEREAS, Bulletin 92-6 issued June 24, 1992, designated certain commercial lines, including automobile service contracts issued pursuant to KRS 304.5-070(1)(p) and 806 KAR 5:050, and credit insurance of any and every nature other than Credit Life and Credit Health;

WHEREAS, changing insurance market conditions, including the availability and affordability of medical malpractice insurance are affecting the delivery of health care in Kentucky;

WHEREAS, the Commissioner finds it is in the public interest to designate Medical Malpractice as an additional commercial line of business for which rate filings are required pursuant to KRS 304.13-051; and

WHEREAS Medical Malpractice insurance means malpractice insurance defined by KRS 304.5-070(1)(j) written to cover the professional liability of any health care provider as defined by KRS 304.40-260(1) including such coverage as might be a part of any multi-peril policy;

NOW, THEREFORE, pursuant to KRS 304.2-120, KRS 304.13-051 and all other applicable law, it is hereby ORDERED:

1. That all insurers currently writing Medical Malpractice coverage shall file current rates and supplementary information, along with all manuals, underwriting rules, and guidelines in effect October 1, 2002 through December 31, 2002 within 60 days of this order; The supplementary rating information shall include but not be limited to the following: rate revision history for the last 5 years (1998-2002); rate level indications or 5 years of historical loss experience for medical malpractice coverage only; a detailed summary of all prospective expense provisions underlying the current rates-commissions, other acquisition expense, general expense, taxes/licenses/fees, and profit provision offset for investment income; for reference filers, a completed LC-1 (and LC-2 if applicable); and the effective date of current rates. KRS 304.13-057 requires that Kentucky specific information be supplied, whether or not it is accompanied by other regional or countrywide data;
2. That all insurers shall file any new Medical Malpractice rates and supplementary rate information not later than 15 days after the first use of the new rates if the rate change is an increase or decrease of 25% or less;
3. That any insurer which proposes to change its existing rates, manuals, or underwriting rules so as to effectively increase or decrease the rates of any classification of risks within any rating territory more than 25% within a 12 month period shall file all the rates and supplementary rating information which shall not become effective until approved by the commissioner;

4. That automobile service contracts issued pursuant to KRS 304.5-070(1)(p) and 806 KAR 5:050, and credit insurance of any and every nature other than Credit Life and Credit Health remain designated lines as initially ordered in Bulletin 92-6; and

5. That workers' compensation insurance rates must continue to be filed pursuant to KRS 304.13-053 and are subject to a 15% increase or decrease threshold for prior approval, also as ordered by Bulletin 92-6.

Filing instructions and forms are available on the Department's web-site, doi.ppr.ky.gov.

Synopses for Forms and Rules are attached.

Filing requirements hereby Ordered are effective January 15, 2003.

JANIE A. MILLER, COMMISSIONER

KENTUCKY DEPARTMENT OF INSURANCE

1-7-03

DATE

- **Kentucky Filing Synopsis for Rates (Form S-1 P&C (1/99))**
- **Kentucky Filing Synopsis for Rules (Form S-3 P&C (1/99))**